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# FISCAL POLICIES MANUAL

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## GENERAL INFORMATION: FEDERAL ISSUE SECTION

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### ACCOUNTING FOR GRANTS

There are numerous record-keeping requirements to properly account for federal grants. Agencies should become aware of these and account for grants in such a way that data can be pulled directly from an approved accounting system.

State employees responsible for federal grants need to be knowledgeable of the specific requirements outlined in each agency grant as well as the publications listed below. The publications can be viewed on the Internet <http://www.gpoaccess.gov/topics/grants.html>.

A hard copy may be obtained by contacting the following:

U.S. Government Printing Office Superintendent of Documents  
Mail Stop SSOP  
Washington, DC 20402-9328

### CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA)

The CFDA contains a brief description of most federal programs. It is organized by federal agency and each program has a title and a number. The catalog lists program objectives, types of assistance, uses and restrictions, eligibility requirements, application and award process, financial information, etc. The catalog is available at: <http://www.cfda.gov>.

Every federal program is assigned an identification number or CFDA number. The Office of Management and Budget (OMB) Circular A-133 requires this number to be on every grant or sub-grant award received or made.

### DUNS NUMBERS

The Data Universal Numbering System (DUNS) number is a unique nine-digit identification number. Your agency must have a DUNS number at the time it applies to the federal government for federal awards. A DUNS number is required under OMB policy as part of the application process. For information about obtaining a DUNS number, contact Dave Fulkerson at the Division of Financial Management, <http://dfm.idaho.gov>.

## **OMB CIRCULARS**

OMB Circulars detail regulations issued by the Office of Management and Budget which pertain to federal grants. Some of the more important circulars are included in the following list. These can be found on OMB's home page at <http://www.whitehouse.gov/omb/circulars/>.

### **A-87 COST PRINCIPLES FOR FEDERAL ASSISTANCE PROGRAMS CONDUCTED BY STATE, LOCAL, AND INDIAN TRIBAL GOVERNMENTS**

This Circular establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments and federally recognized Indian tribal governments (governmental units).

### **THE COMMON RULE (FORMERLY A-102) UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS**

These administrative requirements apply to most grants and include forms, record keeping, match, program income, property, closeout, etc.

### **A-133 AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**

This circular establishes the standards for audits of states (including institutions of higher education), local governments, and nonprofit institutions expending federal awards.

### **A-21 COST PRINCIPLES FOR EDUCATIONAL INSTITUTIONS**

This Circular establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions. The principles deal with the subject of cost determination. The principles are designed to provide that the federal government bears its fair share of total costs, determined in accordance with generally accepted accounting principles, except where restricted or prohibited by law.

Agencies are not expected to place additional restrictions on individual items of cost. Provision for profit or other increment above cost is outside the scope of this Circular.

## **A-122 COST PRINCIPLES FOR NON-PROFIT INSTITUTIONS**

This Circular establishes principles for determining costs of grants, contracts and other agreements with non-profit organizations. It does not apply to colleges and universities which are covered by Office of Management and Budget (OMB) Circular A-21, "Cost Principles for Educational Institutions"; state, local, and federally-recognized Indian tribal governments which are covered by OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments"; or hospitals.

The principles are designed to provide that the federal government bears its fair share of costs except where restricted or prohibited by law.

## **A-110 UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS**

This circular sets forth standards for obtaining consistency and uniformity among federal agencies in the administration of grants to and agreements with institutions of higher education, hospitals, and other non-profit organizations.

## **CASH MANAGEMENT IMPROVEMENT ACT**

The federal government enacted the Cash Management Improvement Act of 1990 (CMIA) to ensure greater efficiency, effectiveness, and equity in the exchange of funds between the federal government and the states, territories, and the District of Columbia.

The CMIA requires an annual Treasury-State Agreement (TSA) between the U.S. Department of the Treasury, Financial Management Service, and the State of Idaho, Division of Financial Management (DFM). For more information refer to the DFM Web site at <http://dfm.idaho.gov>.

## **SINGLE AUDIT ACT**

This act establishes uniform requirements for audit of federal awards administered by non-federal entities. For more information, contact Legislative Audits at 334-3540.

## **CODE OF FEDERAL REGULATIONS**

Each federal agency has adopted regulations published in a document called the Code of Federal Regulations. Typically, the various federal agencies have a home page that includes the CFRs. See, for example, <http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html>.

## **GOVERNMENT AUDIT STANDARDS (YELLOW BOOK)**

The Government Accountability Office (GAO) has published audit standards that must be followed when auditing federal grants. These standards adopt generally accepted auditing standards and include several additional requirements, two of which are reports on internal control and compliance.

## **DIVISION OF FINANCIAL MANAGEMENT REQUIREMENTS**

State agencies applying for grants, contracts, or projects in amounts more than \$25,000 that are not included in the agency's current appropriation must have prior approval by the Division of Financial Management (DFM). The requirement for prior approval by DFM does not apply to individuals in higher education applying for research grants.

The approval form provided by DFM should be used to state the purpose of the project, funding source, impact on the agency and pertinent other factors. The grant approval form is located on the DFM website at [http://dfm.idaho.gov/st\\_agency\\_guide/forms/Grant.DOC](http://dfm.idaho.gov/st_agency_guide/forms/Grant.DOC)

## **INDIRECT COSTS**

Most grants allow indirect costs, and as a result, indirect cost plans must be prepared in accordance with OMB Circular A-87. DFM is responsible for the development and submission of the Statewide Cost Allocation Plan (SWCAP) required under the provisions of OMB Circular A-87.

The Circular establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments and federally recognized Indian tribal governments. The allocated costs in the SWCAP can be included in Agency Indirect Cost Plans. The Division of Financial Management can be contacted for additional information.

Other sources for federal agency information include the following:

**Official Federal Government Web Sites** - <http://www.loc.gov/rr/news/fedgov.html>

**Federal Bulletin Board** -- <http://fedbbs.access.gpo.gov>

**Federal Agency Directory** -- <http://www.lib.lsu.edu/gov/fedgov.html>

**IGnet Home Page** - <http://www.ignet.gov>

**Government Printing Office** - Superintendent of Documents  
P.O. Box 371954  
Pittsburgh, PA 15250-7954  
(202) 512-1800